



DEFENSE FINANCE AND ACCOUNTING SERVICE

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FEB 24 1997

DFAS-HQ/FMM

MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
- CLEVELAND CENTER
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
- DENVER CENTER

SUBJECT: Update to the Department of Defense Financial
Management Regulation (DoDFMR), Volume 7, Part B,
on Foreign Citizenship for Retirees (DFAS Item G-5)

This is an Interim Change Number R9 - 97 to the DoDFMR,
Volume 7B. This change is effective immediately.

We have evaluated your comments on the draft change to the
DoDFMR, Volume 7B. The attached final version of the change
includes your comments where appropriate. Assignment of an
interim change number is your authority to initiate a procedural
modification to facilitate this change.

We have determined that this policy change does not require
a change to the current pay system. For the Denver Center, use
the attached to initiate the formal printed change to the DoDFMR.

Our point of contact, Mr. Fiti Malufau may be contacted at
DSN 327-5061 or Commercial (703) 607-5061. Our Fax number is
DSN 332-5271 or Commercial (703) 602-5271.

Roger W. Searce
Brigadier General, USA
Deputy Director for Finance

Attachment:
As stated

cc: ASD (FMP)
DGC (F)
DFAS-DE/DG
DFAS-IN
DFAS-KC/FSP
Service Liaisons
USCG/NOAA PHS Liaisons

1. In the General Contents section, Part Two, Chapter 1, Employment, add new sections:

"Section F - Federal Judges

Section G - Service in Military Force of Newly Democratic Nations"

2. Change paragraph 20201a to read:

"The right to retired pay based on **years of active service** or disability for regular or reserve officers and regular enlisted personnel generally is contingent upon continuation of their military status; loss of citizenship is inconsistent with a continuation of that status."

3. Change the second sentence of paragraph 20203 to read:

"...A person who is a citizen of the United States loses that citizenship by **voluntarily, with the intention of relinquishing U.S. citizenship:...**"

4. Change paragraph 20203a to read:

"Obtaining citizenship in a foreign state upon member's application or upon an application filed in member's behalf by a parent, guardian, or duly authorized agent; or"

5. In paragraph 20204b, delete the word "enlisted" from the first line.

6. In paragraph 20205a, first line, change the word "officer" to "member."

7. In paragraph 20205c, second line, change the word "officer" to "member" and add a new second sentence to read:

"...See Chapter 1, section G, for provisions regarding service in military forces of newly democratic nations."

8. In Table 2-2-1, decision 2, change the first sentence of synopsis item a. to read:

"Retired Reserve officers, receiving retired pay under laws other than 10 U.S.C. 12731, who lose U.S. citizenship by acquiring foreign citizenship are no longer..."

9. In Table 2-2-1, decision 4, change the synopsis to read:

"A retired member who voluntarily loses U.S. citizenship by becoming a citizen of a foreign country..."

10. In Table 2-2-1, decision 5, change the citation in the first line of the synopsis from "1331" to "12731".

11. Change the Bibliography to read the following:

<u>"Paragraph</u>	<u>Citation</u>
20161	10 U.S.C. 1060
20162	10 U.S.C. 1060
20163	10 U.S.C. 1060